

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 13-278—sSB 992 (VETOED)

Public Health Committee

Judiciary Committee

AN ACT CONCERNING MEMBERS OF A MEDICAL FOUNDATION

SUMMARY: This act expands the list of entities that may be members of a medical foundation to include certain for-profit entities that are parties to a letter of intent, entered into on or before August 1, 2013, with (1) Greater Waterbury Health Network, Inc., (2) Bristol Hospital and Health Care Group, Inc., or (3) another hospital or health system. The act applies despite the existing medical foundations law, which restricts membership in medical foundations to (1) hospitals or health systems organized as nonstock (nonprofit) corporations and (2) medical schools meeting certain criteria (see BACKGROUND).

The act applies to entities that have the following organizational form:

1. stock corporations organized under the state business corporation law or any predecessor statute or
2. foreign stock or nonstock corporations, foreign limited partnerships, or foreign limited liability companies authorized to transact business or conduct affairs under the state business corporation law, nonstock corporation law, uniform limited partnership act, limited liability company law, or any predecessor statutes.

EFFECTIVE DATE: Upon passage

BACKGROUND

Medical Foundations

Existing law authorizes a hospital, health system, or medical school to organize and become a member of a medical foundation to practice medicine and provide health care services as a medical foundation through employees or agents who are licensed physicians or certain other providers. Medical foundations must be nonprofit entities (CGS § 33-182bb).

Under the medical foundations law, a hospital is a nonstock corporation organized under the current nonstock corporation law or any predecessor statute, or by special act, and licensed as a hospital under state law. A health system is a nonstock corporation organized under the current nonstock corporation law or any predecessor statute, consisting of a parent corporation of one or more hospitals licensed under state law, and affiliated through governance, membership, or some other means. A medical school is a school of allopathic (conventional) medicine leading to the M.D. degree that is (1) accredited by the Liaison Committee on Medical Education and (2) affiliated through governance with or part of a university that is incorporated in Connecticut or established under state law and accredited by the New England Association of Schools and Colleges Commission

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on Institutions of Higher Education (CGS § 33-182aa).

OLR Tracking: JO:RP:jkl:ts